



Panel Discussion

What could be a good mix of local/regional /national policies to foster local innovation systems?

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Issues for the debate

It is certainly easy to make a list of ‘items’ that could either spark innovation within a local production system or that would support the existing firms and organizations to progress and innovate in such contexts. At the macro level, the list would include, e.g., an effort to achieve a sound macro-economic environment, low levels of corruption, significant investments in education and public research. At the regional and local levels, the list would also add new items, which, depending on the specificities of the local context, would include a mix of different interventions such as e.g. the setting up of technology transfer centers to help the upgrading of small and medium enterprises, the encouragement of linkages between local firms and a number of other actors considered to be important sources of new complementary knowledge –e.g. universities, research centers, subsidiaries of multinational corporations; the support of marketing initiatives such as the organization of trade fairs or other activities aimed at increasing the openness of the cluster to international markets. Some policy makers would also find it a brilliant idea to create geographic agglomerations of firms from scratch, as in the case of technopoles, science parks and incubators or to encourage the presence of venture capital in the local area. The list could be almost endless as academic scholars have informed policy makers in several ways, providing and sometimes selling their own “recipes” to local or national politicians – often leading to the creation of fashionable policy-brands to sell to next country (e.g. Cluster Initiatives; FDI attraction; Creative Cities).

Put to an extreme, however, in spite of thousands of initiatives to create the next Silicon Valley, very few of them seem to have been successful, and in the cases where this has happened, scholars tell that, to a large extent, this is due to a bit of chance and to individual agency by creative entrepreneurs and bright minds, or to initiatives that have little to do with deliberate growth policies of that particular area. Hence, a key question to ask is *why do policies fail*, even when, in principle, policy-makers are advised about what would be best to do to foster local innovation systems by academics and well-paid consultants? Moreover, when talking about failure, we should not forget that the failure of a policy is not just related to the lack of accomplishment of growth or innovation objectives in a given local production system. As concerns about human rights – including ethical and environmental impacts on local communities – are becoming mainstream in the agenda of international organizations and governments, policies that achieve the objectives of sparking innovation and growth into an area at the expense of the local environment and social community, are to be considered at least a partial failure.

Hence, the panellists are proposed to address some of the following points:

- Is there still a need to debate about an “optimal” mix of local/regional /national policies, or shall we move on to discuss what makes the presumed “optimal” mix unsuccessful?
- What do we know about policy-evaluation analysis, and how much does it inform policy makers to find the “optimal” mix of policies?
- How much of the policy failure is due to the incapacity of governments (and their consultants) to *design* the “optimal” mix of policies and how much is due to local short-sighted or poorly talented/trained politicians, who are not capable of *implementing* the designed policies?